

To Whom It May Concern:

My name is Alex Iseri and I'm the Director of the Mackinac Economic Alliance, a development organization serving Mackinac County. I'm writing today because we are desperately in need of MSHDA's help to provide more affordable housing, specifically through the LIHTC support mechanism.

Under the current regime, developers do not believe that building affordable housing in this county is viable without support through LIHTC and do not believe that rural counties (like Mackinac County) are competitive for LIHTC support as the QAP is currently formulated. While we would be grateful for any changes to be made to the QAP that would make LIHTC support more accessible for rural counties, we do have some specific requests:

- We ask that the use of WALK scores be diminished, inasmuch as rural (re: decentralized) counties cannot possibly concentrate as many services in close proximity as an urban area might
- We ask for a change in scoring for employment centers in rural cities and villages- currently an employers must be identified within ½ mile with 250 or more FTE's. We ask that in cities of less than 5,000 people that that number be reduced to 125, and that for rural townships
- We ask that central city criteria be changed for rural cities and villages of less than 5,000 people to 15 buildings with zero lot lines, and that rural cities and villages of fewer than 2,500 people to 10 buildings with zero lot lines. We ask that rural townships of 2,500 people or fewer have central city criteria of 15 buildings with 20 foot lot lines.
- We ask that the requirements related to proximity to public transportation be eliminated- while there is a transportation service in place for the elderly and handicapped, there is nothing approaching the kinds of regular public transit systems offered in less-rural communities, and it would not be feasible to develop one.¹

Mackinac County is in desperate need of affordable housing, and it will not be developed without the use of mechanisms like the LIHTC. Costs of housing have been driven up by seasonal tourism and the investment in properties for strictly seasonal use, making whatever properties are available unaffordable the people that need them most. While properties in Mackinac County are not unusually expensive (an average value of \$121,300 county wide, compared to an average value of \$178,600 nationwide),² owning such a property is unreasonable for the majority of households. In the Eastern Upper Peninsula, the majority of individuals earn less than \$30,000 per year while the median monthly

¹ Corradino Group of Michigan, Inc. *Public Transportation Feasibility Study, Mackinac County*. 1 ed., vol. 1, St. Ignace, Mackinac County Board of Commissioners, 2012, 1 vols.

² United States Census Bureau. (2010). Mackinac County Quick Facts [Website]. Retrieved from <https://datausa.io/profile/geo/mackinac-county-mi/#housing>

mortgage payment is \$1,051, making any homeowner in those wage ranges effectively rent burdened (per HUD guidelines).³

It is for this reason that many young people have left Mackinac County, and it is the reason why more young entrepreneurs have not relocated to Mackinac County after completing their post-secondary education. This loss is clearly visible in the rapidly shifting demographics of Mackinac County: the population has declined from 11,943 individuals in 2000⁴ to 10,820 individuals in 2016,⁵ and the median age has increased from 42.8 years in 2000⁶ to 51.1 years in 2015.⁷ The opportunity costs of this shift are significant. A rapidly aging population is less likely to generate new businesses and is less likely to supply the dedicated workforce needed to support a dynamic economy. Developing and supporting a dynamic is essential to sustaining Mackinac County, and we hope that MSHDA will be our partner in this.

Regards,

Alex Iseri

Director, Mackinac Economic Alliance

³ United States Department of Housing and Urban Development. (2008). *What is affordable housing?* [Data file]. Retrieved from https://www.hud.gov/program_offices/comm_planning/affordablehousing/

⁴ United States Census Bureau. (2000). Mackinac County Quick Facts [Website]. Retrieved from <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

⁵ United States Census Bureau. (2016). Mackinac County Quick Facts [Website]. Retrieved from https://www.census.gov/quickfacts/fact/table/mackinacounty_michigan/PST045216#NAV_1683946577_7

⁶ United States Census Bureau. (2000). Mackinac County Quick Facts [Website]. Retrieved from <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

⁷ United States Census Bureau. (2016). Mackinac County Quick Facts [Website]. Retrieved from https://www.census.gov/quickfacts/fact/table/mackinacounty_michigan/PST045216#NAV_1683946577_7